OHIO RAIL DEVELOPMENT COMMISSION

1980 WEST BROAD STREET • COLUMBUS, OH 43223

JOHN R. KASICH, GOVERNOR • JAMES G. BRADLEY, ORDC CHAIRMAN

November 3, 2011

Dear Commissioners:

Enclosed please find relevant information to the **Thursday, November 10, 2011** Commission Meeting. Minutes of the September 15, 2011 Commission Meeting are included for your review.

This meeting will be held at the **Ohio Department of Transportation Headquarters, 1980 West Broad Street, Columbus, Ohio, Room GA, Lower Level.** Standing Committees of the Commission will meet before the Commission Meeting as follows:

Long-Term Strategy/Economic Development Committee	Room 3C
Human Resources Committee	Room 3A
Contract and Property Advisory Committee	Room 3B

All Committee meetings begin at 10:00 a.m. The ORDC Commission meeting will begin promptly at 11:00 a.m.

If you haven't already done so, please contact Julie Kaercher to confirm your attendance. You may reach her at 614-728-9497 (telephone) or by e-mail at julianne.kaercher@dot.state.oh.us.

Also, if you are interested, there is the opportunity to visit EWI (Edison Welding Institute) after the meeting. We have arranged for transportation for those of you still wanting to attend. The tour is scheduled for 2:00 p.m. and should end around 4:15p.m.

We look forward to seeing you.

Sincerely,

James G. Bradley
Chairman

Enclosures

OHIO RAIL DEVELOPMENT COMMISSION

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JOHN R. KASICH, GOVERNOR • JAMES G. BRADLEY, ORDC CHAIRMAN

COMMISSION MEETING AGENDA
Thursday, November 10, 2011, 11:00 a.m.

Ohio Department of Transportation Headquarters
1980 West Broad Street, Room GA, Lower Level, Columbus, Ohio

CALL TO ORDER: James G. Bradley, Chairman

- Welcome
- Roll Call
- Approval of Minutes from September Meeting

EXECUTIVE DIRECTOR REPORT: Matt Dietrich

FINANCE REPORT: Megan McClory

ITEMS FOR APPROVAL

- 11-10 Revision of Loan Terms, Columbiana County Port Authority Loan
- 11-13 CUOH Neilston Branch Project

ODOT STATEWIDE FREIGHT STUDY REPORT

COMMITTEE REPORTS

OLD BUSINESS

NEW BUSINESS

PUBLIC COMMENT

EXECUTIVE ORDER 2011-03K: FRAUD AND ETHICS TRAINING

- To meet the requirements of Governor Kasich's Executive Order 2011-03K: Ethics Policy and Training, Patrick Piccininni from ODOT Chief Legal will present the course.

ADJOURN

MINUTES OF THE OHIO RAIL DEVELOPMENT COMMISSION
REGULAR BI-MONTHLY MEETING
September 15, 2011

CALL TO ORDER

The meeting of the Ohio Rail Development Commission was called to order by Chairman James Bradley at 11:07 a.m. on Thursday, September 15, 2011.

MEMBERS PRESENT

Members present included: Chairman James Bradley, Executive Director Matt Dietrich, Commissioners Barbara Bennett, Rob Greenlese, Solomon Jackson, Tom McOwen, Ronald Rasmus, Larry Sowers, Herk Wolfe, and Greg Murphy. Commissioner Bill Lozier arrived at 11:09 a.m., after the approval of the July 21, 2011 meeting minutes. Commissioner Christiane Schmenk was unable to attend. There were 10 voting members present, therefore a quorum was obtained.

APPROVAL OF THE MINUTES OF THE JULY MEETING

Chairman Bradley asked for a motion to approve the minutes of the July 21, 2011 meeting. Commissioner Greenlese moved to approve the minutes and Commissioner Wolfe seconded the motion. Roll Call was taken and the minutes were approved as presented with nine votes in the affirmative.

EXECUTIVE DIRECTOR'S REPORT

Director Dietrich presented the Executive Director's Report, which can be found on page 8 of the commission packet. Director Dietrich reviewed the accomplishments and highlights of the ORDC since the July Commission Meeting.

He said the National Gateway Project is going well; one interlocking is completed and one is underway. Director Dietrich said the only change to the plan came from the removal of the 5th Street Bridge as a result of a derailment. Since this event, the project has been modified in scope and is progressing. Up until the TIGER Grant, ORDC's involvement on the federal level was limited and our experience thus far has been beneficial and a learning experience. Director Dietrich used the Heartland Corridor as an example of how the Commission and everyone involved in that project now has a better awareness and understanding of the use and application of the National Gateway funds on the Federal level. He said there have been positive conversations and feedback to make the process easier and the biggest challenge we face is meeting the NEPA rules on multi-modal projects. The USDOT Inspector General is expected to review the project and give feedback and updates towards our progress. USDOT is open to feedback from us on how to improve their process. The Federal Highway Administration (FHWA) has reviewed some of our ARRA projects and would like us to update some safety agreements with the railroads and we are going through that process now. Director Dietrich said the project is moving along as expected, partly due to the fact that we did not create a process and then implement it; we took existing projects and mashed them into the process.

Director Dietrich explained that it is time to produce a new State Rail Map and Stu Nicholson recommended that it be created by an outside vendor who can solicit sponsorship from other

companies to have the map funded. If the RFP vendor is given the files to create the map, the staff is then removed from requesting the sponsorship that could create a conflict of interest. ORDC has an internal draft RFP at this moment. The Commission will be kept updated as this progresses.

The Grade Crossing Section of the Highway Safety Improvement Program (HSIP) was submitted to ODOT, which in turn submitted the information to the FHWA. Director Dietrich explained that the biggest challenges we face with this new, online format is matching our data to the federal level performance measures due to drop down menus replacing the narrative explanations we used to provide. Director Dietrich stressed the importance of establishing and maintaining a transparent decision making process to fit the federal requirements. The report can be found on page 10 of the commission packet.

Director Dietrich told the Commission that the ORDC staff is in the process of writing down all programs and processes so that the Commission has an "auditing trail". Nine of the 16 staff members will be eligible to retire within the next five years and there is the need to remain efficient and transparent. The Commission started documentation in Safety and is now working on the Freight programs. Given the budget, the Director said this is the best way to do succession planning. The quality of people cannot be replaced, but we can standardize their decision-making process.

Director Dietrich told the Commission about the letter he wrote to the City of Jackson, which can be found on page 27 of the commission packet, and that we have received a response from them. Staff is set to meet with the City and there will be more information to come.

Director Dietrich thanked Commissioner Rasmus for taking time out of his schedule to meet with him and give a tour of his facility. It reaffirmed the Director's thought that there is a lot in common between the needs of the maritime industry and the rail industry and the role of government to support those industries in Ohio.

Lastly, Director Dietrich introduced and welcomed the new administrative assistant for the Commission, Julie Kaercher, as well as the Safety intern, J.M. Rayburn, who is a Graduate Student at The Ohio State University in Urban and City Regional Planning. Director Dietrich also congratulated Senator Tom Patton who just took a leadership role within his caucus.

Commissioner Greenlese complimented Director Dietrich on his letter to the City of Jackson since it is a very important issue. The Director thanked him and complimented the Commission staff for their efforts in writing it.

FINANCE REPORT

Megan McClory, ORDC's Secretary-Treasurer, presented the Finance Report to the Commissioners, which can be found on page 29 of the commission packet. She elaborated on a few of the ARRA Projects that are underway, explaining that the Heartland Corridor Extension to Cincinnati is progressing well and only two bridges need modified. The Medina project is near a construction contract and the ORDC will be encumbering funds of $900,000 shortly, and she thanked Commissioner Greenlese for helping with the Airline Intermodal Facility meeting in

Toledo last week at the University of Toledo. The meeting focused on marketing that facility once it is completed. She also said that the V&M Steel rail project is moving into onsite work.

Secretary-Treasurer McClory went into detail about the National Gateway Bridge Project Right-of-Way Acquisition, explaining ORDC has entered an agreement with the Ohio Department of Transportation (ODOT) and CSX to acquire property related to the River Corners/Pawnee Road bridge replacement project. ORDC will be helping ODOT acquire the property by providing the final $5,000 for the last land parcel and then ORDC will invoice CSX for the final total cost, previously estimated at $89,090, now around $94,000. Directory Dietrich commented that ODOT District 3 has taken the ball and has really assisted with this project.

Ms. McClory pointed out the proposed schedule for the 2012 meetings and requests that any conflicts be made aware to her as soon as possible. Commissioner Tom McOwen asked if there would be any meetings held outside Columbus, like the July meeting. Chairman Bradley commented on that, saying the meeting in Cincinnati was a good day, but there was low attendance and the Commission barely had quorum. The Commission will discuss off-site meetings at a later time.

RESOLUTION 11-09 - VILLAGE OF LEIPSIC RAILROAD

Commissioner Jackson recused himself. Ms. McClory gave a short overview of the project. This information can be found on page 36 of the commission packet. She explained it would be the best use of the TRAC state funds to build some of the infrastructure and then let the Village decide who will use the track. This project will proceed as a normal grant. Commissioner Lozier asked where the funds were from- is it Blue Sign money? Ms. McClory said it was non-federal, non-state gas tax funds. Commissioner Murphy stated that the blue sign/logo program funds are ODOT's largest source of non-federal and non-state gas tax funds. Commissioner Lozier said the funds are good for flexibility, and thanked TRAC for securing these funds. Commissioner Murphy agreed, and explained there are increased fees with Logos money and that will increase the money available for projects, in part due to Dave Holstein's work.

Chairman Bradley asked for a motion to approve Resolution 11-09. Commissioner Greenlese made the motion to approve and Commissioner McOwen seconded it. Roll Call was taken and the resolution was approved as presented with nine votes in the affirmative and one recusal.

RESOLUTION 11-11 – WHEELING & LAKE ERIE SANDY LINE SAFETY TIE

Commissioner Jackson returned. Lou Jannazo from ORDC presented the project found on page 39 of the commission packet. He explained ORDC staff recommends that the Commissioners approve a $200,000 grant for the immediate installation of 5,000 safety ties along the line to ensure safe operations this winter. The line has a very good service load, especially with oil, but the ties are not in a condition to keep the oil freights on the rail. Mr. Jannazo said the last thing ORDC wants is to have cars leave the line. The safety tie installation would also increase potential for the development of transloading related to shale. The Wheeling & Lake Erie Railway (W&LE) would be responsible to install the rest of the safety ties that would ensure the line could run at 25mph. Mr. Jannazo said this project would allow for considerable savings across the board. ORDC ran the project through the benefits calculator and it shows the possibility of great economic, safety and environmental savings and benefits.

Kasey O'Connor from W&LE was present to answer any questions the Commission had. Commissioner Jackson asked if when the briefing says this project will "support" 25 jobs that means it will retain 25 jobs. Mr. O'Connor answered yes. Mr. Jackson also asked if the lack of ORDC future funding would affect the long-term viability of the line. Mr. O'Connor replied that ORDC funds were only pertinent to the short-term, to ensure immediate line safety. There are no foreseeable long-term needs. Commissioner Jackson asked Mr. O'Connor if W&LE sees a scenario where ORDC gives the grant and in the future it is determined that phasing was not a good idea due to market conditions. He asked if the $200,000 investment could be at-risk because ORDC doesn't have more funds to put into the project. Mr. O'Connor said no, in short. He believes this is a great investment and W&LE has always ensured that all state-invested jobs are successful.

Director Dietrich said this is a great opportunity to get ahead of the need. The fiscal reality that we might not give enough and therefore should not give any assistance at all should not be considered. Providing this gap funding is just as beneficial because it allows W&LE to make the investment ahead of when they will reap the benefits of the investments. This project will protect the investment for rail and shippers. Chairman Bradley confirmed that safety ties are not needed everywhere and this grant allows the line to be safe while the W&LE can prepare to get the rest of the line fixed for the 25mph speed rather than have it shut down. The Chairman wanted to make sure Mr. O'Connor and W&LE were committed to finishing the line to max capacity at a later time. Mr. O'Connor confirmed this and stated W&LE is committed to the long term with this line. Commissioner Greenlese stated he appreciates the objectivity lent to these projects through the work of Commissioner Bennett's Committee's evaluation tool.

Chairman Bradley asked for a motion to approve Resolution 11-11. Commissioner Bennett made the motion to approve and Commissioner McOwen seconded it. Roll Call was taken and the resolution was approved as presented with ten votes in the affirmative.

RESOLUTION 11-12 – GLASS ROCK BRANCH LEASE EXTENSION

Director Dietrich presented the proposal to the Commission. The Zanesville & Western Scenic Railway (Z&WSR) asked for an extension of their lease through the end of the fiscal year in June 2012. The State of Ohio owns the railway and it has been inactive for some years. The Z&WSR asked to use the track to store their cars and create a scenic railway tour. The current lease is expiring this month. The ORDC is considering this extension and will favorably consider an extension of the lease after June 2012 if certain measures are completed.

Bill Ratz from the Z&WSR spoke on behalf of his organization, stating that the Z&WSR confidently believe they can meet the ORDC's measures on time, and they appreciate the low-cost of the lease terms with the ORDC. Commissioner Lozier remarked that the measures come with an aggressive schedule. Does the Railway have the supplies and workers to meet this timeline? Mr. Ratz said yes.

Director Dietrich explained the Z&WSR have the support of Perry County local businesses and officials.

Chairman Bradley asked if there are any alternative uses for the track by ORDC. Director Dietrich replied ORDC would probably pull up the track. There is a sand plant at the end of the line, but there would need to be a significant amount of work to the line to allow freight traffic. There is no other realistic use for the line other than for the Z&WSR.

Commissioner Rasmus asked if the organization is 501(c)(3) classified and if the employees would be paid. Mr. Ratz said yes, they are a 501(c)(3) and the workers are volunteers.

Commissioner Jackson asked what the rent on the lease is and why only a one year extension. Secretary-Treasurer McClory indicated the rent is $250 a year. Director Dietrich explained the ORDC only agreed to the extension to June 2012 even though Z&WSR asked for a longer extension. He said it is a fair amount of time without stringing the project along.

Chairman Bradley asked for a motion to approve Resolution 11-12. Commissioner Lozier made the motion to approve and Commissioner Bennett seconded it. Roll Call was taken and the resolution was approved as presented with ten votes in the affirmative.

APPROVED PROJECT BRIEFING: RJ CORMAN CLEVELAND LINE – WOOSTER BRANCH REHABILITATION

Mr. Tom Burns from the ORDC presented the briefing found on page 51 of the commission packet. ORDC recommends granting the RJC $105,000 to assist this project at 50/50 to ensure reduced track related delays and improved service. The line averages 400-500 carloads a year and 6 rail users employ 300 people on the Wooster Branch.

APPROVED PROJECT BRIEFING: MARNE CULVERT REPLACEMENT

Secretary-Treasurer McClory presented the briefing found on page 57 of the commission packet. Ms. McClory recapped the project, explaining the flooding that took place that left the culvert in need of replacement. ORDC staff recommended approval of a grant of $85,000 to assist in the replacement of the Marne Culvert on the Panhandle Rail Line. The project should mitigate a long-term flooding problem inherited by the state in 1990 that was never remedied. The entire project costs $215,000.

CSX BUCKEYE YEARD EXPANSION UPDATE

Director Dietrich gave a brief overview since Scott Movshin of CSX was called away and sent his apologies. The Buckeye Yard Expansion is a $59 million expansion that will double the Yard's capacity to solve an efficiency issue. They will install smaller versions of electric cranes in the Yard to increase efficiency. This expansion project is paired with ODOT's Roberts Road interchange project. ORDC will work with both CSX and ODOT on this project.

Commissioner Murphy stated ODOT's Jobs and Commerce Office is working with CSX to have the necessary infrastructure in place at the time the expansion is finished. Commissioner Greenlese asked if there were any ODOT concerns about the redesign of Roberts Road being affected by the construction in Hilliard on Hilliard-Rome Road. Commissioner Murphy is unaware of any implications at this time.

COMMITTEE REPORTS

Commissioner Bennett announced the Economic Development/Long-Term Strategy Committee has completed their final report of the project benefit evaluations tool. This is the third part (1, State Rail Plan, 2, Mission and Goals). They will be able to present quantifiable savings, values and costs regarding safety, congestion, environmental, etc. issues. She thanked everyone on the committee for their hard work. She thinks this tool will be a good resource for the General Assembly and ODOT in decisions of funding and the future of ORDC. This evaluation will promote the flexibility of the Commission as a whole and will communicate with other departments ORDC's capabilities and goals. We would like to be able to be a part of the State Freight Plan process. Commissioner Bennett also said the evaluation tool will let us benchmark with other State Departments and track our progress through the year-end reports.

Commissioner Lozier left the meeting at 12:10 p.m.

Commissioner Jackson announced the Human Resource Committee is just beginning their work and are looking to apply a fee when ORDC's budget is not being utilized for projects, but are unsure of where would that money go if collected. ORDC would have the discretion of when to apply a fee or not. Commissioner Bennett mentioned looking to other agencies that have systems like this set up for help in directing their goals.

Commissioner McOwen announced the Contract and Property Advisory Committee has developed guidelines of state-owned property divestiture to use in determining how ORDC will sell what property to whom. The Committee will be meeting in the next week to review the Panhandle Line and the draft 25-year lease. The Committee is also reviewing the City of Jackson situation before recommending action. Commissioner McOwen also said the operators of the Piney Fork Line expressed interest in ownership of part of that line.

Commissioner Bennett asked if there is a policy for when ORDC acquires a property. Director Dietrich responded that there is not and there has not been an issue in this current railroad environment. ORDC considers the property at the staff level and proceeds from there. Commissioner Bennett mentioned this is another benefit of the flexibility of the Commission.

OLD BUSINESS
There was no old business to come before the Commission.

NEW BUSINESS
Commissioner Bennett asked if the issue of mineral rights along the rail lines we own has even been brought up. Director Dietrich said it has at both staff and Committee levels. Typically the original owners kept the rights. For example, with Utica Shale, there is a small corridor of ownership, but ORDC is unaware of what is there or if there is a value to it. Commissioner Murphy said ORDC should reach out to Mike Flynn who is the head of this for ODOT. Commissioner Greenlese said ORDC's guidelines do take into account the existence of mineral rights, but do not consider what to do with those rights.

Director Dietrich announced that the Commissioners are required to have ethics training per the Governor. ORDC will arrange to have a 30 minute session at the November meeting to qualify everyone so please attend.

IX

Director Dietrich explained the evaluation survey that was given out prior to the meeting. The survey was developed at the Chairman's request so that the Commission could evaluate itself to make sure everyone is satisfied with its progress and actions. The survey results will be discussed at the October retreat and used to format that agenda accordingly. They are due back to ORDC by September 26th so that staff can compile the results. Chairman Bradley said the expertise and backgrounds of the Commissioners provide a good opportunity for feedback and to solicit comments on the Commission's functions.

Commissioner Murphy said several regional freight studies are now being combined into one freight study at ODOT. The ODOT evaluation team will attend an ORDC meeting to discuss.

Commissioner Murphy also reported that ODOT took over the improvement of roads at the Rickenbacker East-West Connection. A P3 Consultant, Halcrow, is to look at a financing package for the project. Commissioner Murphy hopes a shovel will be in the ground by next year.

PUBLIC COMMENT
There was no public comment to come before the Commission.

EXECUTIVE SESSION
Chairman Bradley asked for a motion to go into Executive Session to consider matters related to the employment of the Executive Director (performance evaluation). Commissioner Greenlese made the motion to approve and Commissioner McOwen seconded it. Roll Call was taken and the motion was approved as presented with nine votes in the affirmative.

Chairman Bradley reconvened the meeting at 12:53 p.m.

ADJOURNMENT
Chairman Bradley adjourned the meeting at 12:54 p.m.

TO: ORDC Commissioners

FROM: Matthew Dietrich

SUBJECT: November 2011 Executive Director's Report

This document reflects the accomplishments and highlights of the Ohio Rail Development Commission since the September Commission Meeting. For me, the last two months can be summarized in three words: Shale, Panhandle and the City of Jackson.

1. Shale Development: Staff has become very active with shale development recently. This activity is threefold. The Administration is putting together a holistic approach to the development of shale in Ohio. I have been working with both Administrative officials and the railroads, individually and collectively, to identify issues, opportunities and rail projects that focus on shale development. Staff is also working with ODOT, PUCO and the Ohio Railroad Association on concerns regarding additional wear and tear on railroad-highway grade crossing surfaces as a result of increased traffic related to shale development. At least from the ORDC's perspective, the goal of this effort is to ensure that at-grade crossings are considered evaluated when local highway authorities and shale companies reach agreements on impact and mitigation strategies regarding shale development. Finally, staff is beginning to see specific rail projects develop as a result of the shale development in Eastern Ohio. While none have developed to the point of formal consideration, I would anticipate that there will be some in the next few meetings.

2. City of Jackson: Attached is the Letter of Intent for ORDC to assume the ownership of the City of Jackson line and enter into a new agreement with the current operator, US Rail. This letter of intent resulted from meetings with the City, the Railroad and legislative leaders. The purpose of the letter was to lay out what staff believed to be the critical path items that needed to be addressed to accomplish a transfer of ownership. As you can see, we have a long way to go before staff will need formal Commission action but we have already called on Commissioner McOwen for help. Commissioner McOwen, who has experience as one of the former operators of this line, has offered to assist staff in its evaluation of the rail line. On November 1st, several staff members and Commissioner McOwen toured a portion of the line to get a firsthand perspective on the condition of the line. It goes without saying that the ORDC taking over the ownership of a rail line isn't something to be taken lightly. We will be looking to the Commission and specifically the Property Management Committee, for their guidance as this process progresses.

3. Panhandle: The Panhandle Committee a meeting on October 27th. We reviewed the current, draft Panhandle Agreement. Additionally, the Committee discussed the two planned outreach meetings, the first scheduled for the Dennison Depot on Wednesday, November 16th @ 10:30 and at the Works Museum in Newark on December 14th at 2:00. With regard to timeline, it is important to note that the current bonds for the Panhandle are retired in April and the current agreement expires on June 30th.

4. Diesel Emissions Reduction Grant Program: On October 27th, the Ohio EPA has announced the latest Diesel Emissions Reduction Grant Program (DERG). This is a $20 million program jointly administered with ODOT to replace, repower, retrofit and reduce idling in diesel fleets. Grant proposals for the first $10 million are due in January. As in years past, ORDC has notified railroads that we would be the public sponsor for any rail application to the program. Ohio railroads have had a great deal of success with this program. To date the ORDC is administering five grants for $7.26 million with $2.07 million in matching funds from the DERG program alone.

5. Safety Procedure Update: I am happy to report that the procedural changes that staff has been developing over the last year are finally being implemented. Additionally, we have scheduled a grade crossing summit for December 7th in Columbus. The purpose of the meeting is to get together with the railroads, ODOT and PUCO and discuss the new processes we have implemented as well as provide a forum to discuss issues concerning grade crossing projects.

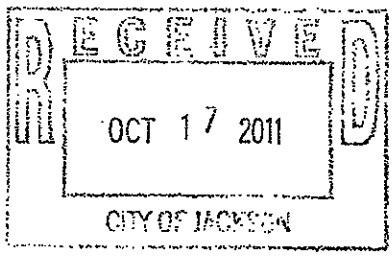
6. Battelle Study: Staff has submitted an application for State Planning and Research funds to study the impacts of Positive Train Control (PTC) on shortline and regional railroads.

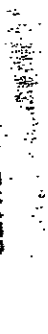
OHIO RAIL DEVELOPMENT COMMISSION

1980 WEST BROAD STREET • COLUMBUS, OH 43223

JOHN R. KASICH, GOVERNOR • JAMES G. BRADLEY, ORDC CHAIRMAN

October 13, 2011





Honorable Randy Heath
Mayor
City of Jackson
Memorial Building
145 Broadway Street
Jackson, Ohio 45640

Gabriel Hall
Chief Executive Officer
US Rail Corporation
7846 West Central Avenue
Toledo, Ohio 43617

RE: Ohio Rail Development Commission Letter of Intent to Transfer the Ownership of the City of Jackson Rail Line and Enter into a Long Term Lease with US Rail Corp.

Dear Messrs. Hall & Heath:

This "Letter of Intent" expresses the Ohio Rail Development Commission's (hereinafter referred to as the "ORDC") willingness to accept the transfer of ownership from the City of Jackson of the approximately 70 miles of railroad lines the City owns in Jackson, Vinton, and Ross Counties (hereinafter referred to as the "Jackson Line"). Further, this Letter of Intent expresses ORDC's intention to enter into a long term lease with US Rail Corporation for the operation of the Jackson Line.

ORDC asks the City, US Rail, the Jackson Line rail users, and all other parties with an interest in the Jackson Line to understand that the intended transfer of ownership and new long term lease will require that the City, US Rail, and ORDC to follow a critical path of tasks and events to successfully meet the intentions of this letter. This critical path includes, but is not limited to the following:

- US Rail and the City provide written confirmation to ORDC that they are willing to pursue a long term lease and transfer of ownership in general accordance with the critical path and conditions laid out in this Letter of Intent.
- US Rail and ORDC perform a detailed inspection of the Jackson Line for the purpose of developing an inventory and a long term plan for line repairs and improvements which will entail US Rail agreeing to provide ORDC with specific detailed information about the income, expenses and liabilities of its current operation as well as other information about US Rail's Jackson Line operations that ORDC may request.

- ORDC and US Rail develop a draft long term lease that provides long term security for US Rail in its operations of the line to facilitate its continued investment in the line but also provides for performance measures for line maintenance & repair, safety, shipper satisfaction and other such measures to ensure effective operations and effective ORDC oversight of the rail line.
- ORDC and the City develop a draft transfer of ownership agreement that conveys the Jackson Line to ORDC and protects the City's interests by providing the City with a Right of First Refusal to re-acquire the line if ORDC divests it, a provision that the City recoups the non-State share of proceeds from any ORDC sale to another party, and other related provisions.
- ORDC, the City, and US Rail obtain public input from the Jackson Line rail users and other interested parties on the transfer of ownership and long term lease draft documents; and make changes to these agreements if appropriate.
- The City obtains the requisite approval of City Council to proceed with the transfer of ownership and to terminate the current operating agreement.
- US Rail obtains the requisite corporate approval to proceed with the long term lease and to terminate the current operating agreement.
- ORDC Commissioners, the State Controlling Board and any other requisite approvals are received prior to proceeding with the transfer of ownership.
- ORDC obtains approval from its Commissioners to proceed with the final long term lease.
- The termination of the current operating agreement, transfer of ownership and long term lease are executed concurrently.

As a condition to proceed with the critical path outlined above, ORDC requires that:

1. The City and US Rail request that ongoing court actions regarding disputes between US Rail and the City be stayed while negotiations for the transfer of ownership and long term lease are ongoing.
2. US Rail and the City cease any actions that would serve to continue their disputes in the realm of the court of public opinion or with local, state, and federal public officials.
3. Upon the execution of the transfer of ownership and long term lease the City and US Rail terminate all ongoing court actions regarding their disputes with prejudice. In addition both parties must unconditionally and permanently release any and all claims or obligations that they ever had, now have or may have in the future against each other whether known now or discovered at any time in the future.

ORDC believes that the critical path and conditions in this Letter of Intent will result in the successful negotiations for the ORDC acquisition of the Jackson Line and a long term lease between ORDC and US Rail Corporation. Further, ORDC believes that the course of action in this Letter of Intent is the best way forward for commerce and industry in Jackson, Vinton, and Ross Counties, for the current rail users of the Jackson Line, and for future rail users of the Jackson Line.

If you concur with this ORDC Letter of Intent, please so signify by signing below. Thank you for your cooperation. I look forward to working with you.

Sincerely,

Matthew R. Dietrich
Executive Director, ORDC

We, the undersigned acknowledge and accept the terms and conditions set forth in this Letter of Intent.

Randy R. Heath

Mayor Randy Heath
City of Jackson

_____

Gabriel Hall
CEO, US Rail Corporation

Cc: State Representative John Carey
State Senator David Daniels
State Senator Tom Patton
Vaughn Wilson, Ohio Department of Transportation District 9
Greg Murphy, Ohio Department of Transportation
Kevin Potter, Ohio Department of Development

We, the undersigned acknowledge and accept the terms and conditions set forth in this Letter of Intent.

Mayor Randy Heath
City of Jackson

Gabriel Hall 10-21-11
CEO, US Rail Corporation

Cc: State Representative John Carey
State Senator David Daniels
State Senator Tom Patton
Vaughn Wilson, Ohio Department of Transportation District 9
Greg Murphy, Ohio Department of Transportation
Kevin Potter, Ohio Department of Development

MEMORANDUM
November 2, 2011

TO: ORDC Commissioners
FROM: Megan McClory
SUBJECT: Finance Report

Accomplishments and Highlights of the Finance Section from September 2, 2011 to November 2, 2011:

1. **Finance Reports.** Staff has prepared statements to reflect current outstanding loans, revenue collection, and project balances.

2. **2012 Meeting Calendar.** The 2012 meeting calendar is included in the meeting packet.

3. **Meeting Attendance Reminder.** Governor Kasich's Director of Boards and Commissions recently asked the staff of boards and commissions statewide to remind members about the meeting attendance requirement in the Ohio Revised Code. Section 3.17 states that any member "who fails to attend at least three-fifths of the regular and special meetings held by that ... commission ... during any two-year period forfeits the member's position on that ... commission." Regular bi-monthly commission meetings and commission retreats are included in this count.

4. **Safety Project Involvement.** The fiscal section is preparing to take a more active role in the administration of ORDC's grade crossing safety projects. Specifically, fiscal staff will provide additional support during the scheduling of in-field diagnostic reviews prior to projects, will process documents required by state and federal funding procedures, and will be involved in the final review of project invoices. Now that these tasks have been identified, we are securing training regarding all necessary activities.

5. **ARRA Projects.** ORDC continues to work with ODOT to administer approximately $70 million of Ohio's ARRA funds for rail-related projects. All projects have been authorized by the Federal Highway Administration for funding and are in various stages of construction and completion. *(Updates since the September report are italicized.)*

   Project Updates:
   - Camp Chase Bridge over West Broad Street (Columbus): Construction is complete.
   - Cleveland Commercial Railroad tie replacement: Construction is complete.
   - RJ Corman Western Ohio Lines tie replacement and surface reconstruction: Construction is under way.
   - City of Jackson rail line rehabilitation: Construction is complete.
   - Panhandle Rail Line rehabilitation: Construction is complete.
   - Heartland Corridor Extension to Cincinnati (NS): Construction is under way. Three of the five clearance locations are *complete as are the two new support tracks at the Rickenbacker Intermodal Facility*. The two remaining clearance projects are expected to be finished in late 2011.

- Wheeling & Lake Erie Railroad rehabilitation: Construction is complete.
- Airline Yard Intermodal Facility (NS): Construction is under way.
- West Central Ohio Port Authority (WESTCO) tie replacement, surface reconstruction, and bridge rehabilitation: Construction is complete.
- City of Medina rail line rehabilitation: *Construction is underway.*
- City of Youngstown/Brier Hill Industrial Park: *Construction is underway.*
- Toledo Shipyard (Toledo/Lucas County Port Authority) Rail Spur: Construction is complete.
- General Cargo Facility 1 (Toledo/Lucas County Port Authority) Rail modernization: Construction is complete.
- CSX National Gateway Vertical Clearances: In support of the National Gateway Initiative, there are four roadway bridges being replaced, one roadway bridge being removed, and two railroad interlockings being constructed. Construction contracts are moving forward. *The project to remove the Park Street Bridge in Akron is complete. The 5th Street replacement project in Niles has been accelerated due to the bridge's destruction during a derailment in August.* The design phase of the design-build contract project for Mud Lake Road in Medina County is underway. Construction of the railroad interlockings at Kent and Ravenna is underway.

6. **Training/Conference Attendance.** I attended the annual meeting of the Ohio Government Finance Officers' Association in September. The sessions covered a variety of topics related to economic development financing, debt issuance, budgeting, and auditing. I also completed training on ODOT's revised Consultant Selection Procedures.

IRDC - Loan Payback (Active Loans)
lovember 2, 2011

	Loans	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	App, Loan, Interest & Admin. Fees	Total Payments
*Y04 Columbiana County Port Authority *	*$2,098,047*	*$1,187,955*						***$112,722***	***$2,210,768***
Y04 Maumee & Western *	$199,088	$17,209						***$8,460***	***$207,548***
Y07 Marion Industrial Center *	$273,000	$68,569	$22,856					***$32,078***	***$305,078***
Y07 WESTCO *	$308,000	$50,026	$50,026	$50,026	$25,013			***$35,760***	***$343,760***
Y08 WESTCO (Sugar Creek Bridge) *	$280,417	$43,189	$43,189	$43,189	$43,189	$17,995		***$20,147***	***$300,565***
Y07 Village of Leipsic *	$825,000	$135,713	$135,713	$135,713	$135,713	$67,857		***$52,702***	***$877,702***
Y09 Lancaster Port Authority *	$145,163	$29,017						***$4,911***	***$150,074***
Y09 WESTCO (Springfield/WCH) *	$400,000	$60,079	$60,345	$60,345	$60,345	$60,345	$5,029	***$20,513***	***$420,513***
Y09 Maumee & Western (HotStart) *	$90,000	$18,397	$18,700	$18,700	$17,142			***$3,871***	***$93,871***
Y10 Deltech Polymer *	$337,457	$70,015	$70,519	$70,519	$70,519	$11,753		***$15,986***	***$353,443***
Y10 Ashland Railway *	$280,000	$56,419	$58,512	$58,512	$58,512	$48,760		***$13,349***	***$293,349***
Y10 New Horizons Baking Company *	$50,000	$9,167	$10,411	$10,449	$10,449	$10,449	$871	***$2,795***	***$52,795***
Y06 Wheeling & Lake Erie ***	$150,000								
Y08 MGQ, Inc. ***	$300,000								
Y08 City of Jackson ***	$300,000								
Y11 MPR Supply Chain Solutions ***	$250,000								
Y11 American Rail Center ***	$500,000								
Y11 D&L Energy Rail Spur ***	$163,000								
Y11 Novotec Rail Spur ***	$100,000								
	$7,049,172	**$1,745,755**	**$470,273**	**$447,454**	**$420,883**	**$217,160**	**$5,900**	***$323,292***	***$5,609,464***

Loan Amount Received to Date: **$245,052**
Loan Balance Due: **$1,500,703**

*Loans Active
**Loans Paid Off
***Loans in Process

Revenue Received FY 2012
October 2011

ame	CT #	Invoice #	Reimbursements 7002/GRF	Reimbursements 4N40	Gas & Oil Leases, Royalties and Other - 4N40	ORDC Loan Payment - 4N4 Fees	ORDC Loan Payment - 4N4 Princ.	ORDC Loan Payment - 4N4 Inter.	Running Total
shland Railway		Electronic Transfer					4,666.67	0.00	192,301.28
eltech Polymers		Electronic Transfer					5,398.89	477.71	198,177.88
lew Horizon Baking Co		Electronic Transfer					833.33	0.00	199,011.21
ancaster Port Auth		Electronic Transfer					4,108.62	36.65	203,156.48
IIC		Electronic Transfer					5,384.33	329.79	208,870.60
laumee & Western (Rehab)		Electronic Transfer					2,442.15	16.32	211,329.07
laumee & Western (HotStart)		Electronic Transfer					1,475.73	55.09	212,859.89
illage of Leipsic		Electronic Transfer					10,098.94	1,210.51	224,169.34
VESTCO #1 (bridge)		Electronic Transfer					3,525.32	643.51	228,338.17
VESTCO #2 (bridge)		Electronic Transfer					3,176.69	422.40	231,937.26
VESTCO #3 (rehab)		Electronic Transfer					4,529.23	499.56	236,966.05
esource Energy	21				49.65				237,015.70
rgon Oil Purchasing	22				11.18				237,026.88
resrite Corporation	23	(new lease agreement)			250.00				237,276.88
ail Staff (phone call reimbursement)	24		1.83						237,276.88
illage of Minerva	25	RA002210			250.00				237,526.88
enesee & Wyoming Inc.	26	RA002311			2,500.00				240,026.88
enesee & Wyoming Inc.	26	Apex - Sept			8,760.00				248,786.88
leathNewarkLicking Porty Authority	27				1,294.80				250,081.68
uckeye Central Scenic Railroad	28				250.00				250,331.68
nervest Operating	29	RA002110			298.52				250,630.20
		Monthly Total	1.83	0.00	13,664.15	0.00	45,639.90	3,691.54	62,995.59
		Grand Total	7,830.99	0.00	62,177.22	500.00	175,350.19	12,602.79	250,630.20

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OHIO RAIL DEVELOPMENT COMMISSION: Finance Report (FY 2012) as of November 2, 2011

GRF APPROPRIATION AVAILABLE FOR PROJECTS

GRF APPROPRIATION FOR PROJECTS		**1,360,000**
LESS: BUDGET REDUCTION (net)		
LESS: PROJECTS ENCUMBERED or DISBURSED		
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED		
RJ Corman Wooster Line	**105,000**	
W&LE Sandyville Line	**200,000**	
LESS: PROPOSED GRF COMMITMENTS FOR FY 2012		
CUOH Neilston Line Rehabilitation/Crossover Relocation	**250,000**	
TOTAL	*555,000*	*-555,000*
BALANCE OF GRF APPROPRIATION FOR PROJECTS		***805,000***

RAIL DEVELOPMENT FUND 4N40 - REVOLVING LOAN FUND	**Uses of funds**	**Spending Authority**	**Cash**
Cash Balance as of 11/2/11			6,056,234
LESS: OPEN ENCUMBRANCES (exc. CSX/FHWA)	2,248,015		
LESS: PANHANDLE RESERVE FUND	764,300		
TOTAL	*3,012,315*	*0*	*-3,012,315*
FISCAL YEAR 2012 APPROPRIATION		2,111,500	
LESS: PAYROLL AND OTHER COSTS (Budgeted)	255,500		
LESS: PROJECTS ENCUMBERED or DISBURSED			
River Corners-Pawnee Rd Acquisition (National Gateway)	**49,090**		
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED			
Jamen Corporation	**350,000**		
LESS: PROPOSED COMMITMENTS FOR FY 2012			
TOTAL	*654,590*	*-654,590*	*-2,111,500*
APPROPRIATION BALANCE OF FUND 4N40 AVAILABLE FOR PROJECTS		***1,456,910***	
ADDITIONAL CASH BALANCE OF FUND 4N40 AVAILABLE*			***1,832,419***

**Funding projects beyond the appropriation balance would require Controlling Board approval.*

FY 2012 Project Balance Summary

Remaining GRF Appropriation for Projects	**805,000**
Remaining 4N40 Appropriation for Projects	**1,456,910**
Balance of ORDC Appropriations for Projects	**2,261,910**

HIO RAIL DEVELOPMENT COMMISSION
PPROPRIATION LEDGER
onth Ending October 31, 2011

FUND	SAC	FEDERAL STATE/OTHER	ORIGINAL APPROPRIATION	TRANSFERS	UNASSIGNED	ADJUSTED APPROPRIATION	OPEN ENCUMBRANCES	TOTAL DISBURSED	UNENCUMBERED BALANCE	PERCENT UNOBLIGATED	SAC DEFINITION
GRF	4FA5	STATE	1,363,500.00	(14,400.00)	0.00	1,349,100.00	0.00	0.00	1,349,100.00	100.00%	GRANT (ALL)
GRF	4FA7	STATE	0.00	9,400.00	0.00	9,400.00	9,400.00	0.00	0.00	0.00%	GRADE CROSSING SURFACE RECON
GRF	465M	STATE	24,500.00	0.00	0.00	24,500.00	0.00	5,715.70	18,784.30	76.67%	PERSONAL SERVICE/OTHER
GRF	4651	STATE	568,000.00	5,000.00	3,244.16	569,755.84	0.00	198,038.96	371,716.88	65.24%	PAYROLL
GRF	4652	STATE	44,000.00	0.00	0.00	44,000.00	2,708.00	6,067.34	35,224.66	80.06%	OFFICE EXPENSE
	FUND TOTAL		2,000,000.00	0.00	3,244.16	1,996,755.84	12,108.00	209,822.00	1,774,825.84	88.89%	FUND TOTAL - GRF
7002	4FN7	FEDERAL	1,124,800.00	5,680,976.96	0.00	6,805,776.96	4,673,938.53	757,442.83	1,374,395.60	20.19%	GRADE CROSSING PAVEMENT
7002	4FP7	FEDERAL	13,075,200.00	10,128,399.24	80,200.00	23,123,399.24	3,976,641.49	9,938.36	19,136,819.39	82.76%	GRADE CROSSING DEVICES
7002	4SP1	FEDERAL	865,000.00	0.00	51,551.84	813,448.16	0.00	228,445.31	585,002.85	71.92%	GRADE CROSSING SAFETY'S PAYROLL
7002	4SP2	FEDERAL	3,000.00	0.00	0.00	3,000.00	0.00	922.80	2,077.20	69.24%	GRADE CROSSING SAFETY'S TRAVEL
7002	4SPM	FEDERAL	7,200.00	0.00	0.00	7,200.00	3,600.00	3,600.00	0.00	0.00%	PERSONAL SERVICE SAFETY
	FUND TOTAL		15,075,200.00	15,809,376.20	131,751.84	30,752,824.36	8,654,180.02	1,000,349.30	21,098,295.04	68.61%	FUND TOTAL - 7002
4N40	6FC5	OTHER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	
4N40	6FC7	OTHER	0.00	49,090.00	0.00	49,090.00	49,090.00	0.00	0.00	0.00%	RAIL TRAN - OTHER ASSISTANCE
4N40	6FC9	OTHER	1,856,000.00	(49,090.00)	0.00	1,806,910.00	0.00	2,500.00	1,804,410.00	99.86%	RAIL TRAN - LOANS
4N40	6FD9	STATE	764,300.00	0.00	0.00	764,300.00	0.00	0.00	764,300.00	100.00%	PANHANDLE LEASE PAYMENT
4N40	611M	OTHER	10,000.00	0.00	0.00	10,000.00	0.00	0.00	10,000.00	100.00%	COUNSEL - PANHANDLE LINE
4N40	6111	STATE	218,000.00	0.00	6,335.47	211,664.53	0.00	66,096.89	145,567.64	68.77%	PAYROLL(PROPERTY MGNT)
4N40	6112	OTHER	27,500.00	0.00	0.00	27,500.00	0.00	0.00	27,500.00	100.00%	PAYROLL(ASST. ATTORNEY GENERAL)
	FUND TOTAL		2,875,800.00	0.00	6,335.47	2,869,464.53	49,090.00	68,596.89	2,751,777.64	95.90%	TOTAL - OTHER ASSISTANCE
	GRAND TOTAL		19,951,000.00	15,809,376.20	141,331.47	35,619,044.73	8,715,378.02	1,278,768.19	25,624,898.52	71.94%	

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OHIO RAIL DEVELOPMENT COMMISSION

1980 WEST BROAD STREET • COLUMBUS, OH 43223

JOHN R. KASICH, GOVERNOR • JAMES G. BRADLEY, ORDC CHAIRMAN

2012 Meeting Schedule

January 19 – Ohio Department of Transportation Headquarters, Lower Level, 1980 West Broad Street, Columbus

March 8 – Ohio Department of Transportation Headquarters, Lower Level, 1980 West Broad Street, Columbus

May 10 – Ohio Department of Transportation Headquarters, Lower Level, 1980 West Broad Street, Columbus

July 19 – Ohio Department of Transportation Headquarters, Lower Level, 1980 West Broad Street, Columbus

September 20 – Ohio Department of Transportation Headquarters, Lower Level, 1980 West Broad Street, Columbus

November 8 – Ohio Department of Transportation Headquarters, Lower Level, 1980 West Broad Street, Columbus

Standing Committees will meet at 10:00 a.m.

Commission meetings begin at 11:00 a.m.

This schedule is subject to change. Please visit the ORDC website at www.rail.ohio.gov prior to the scheduled meeting or call the Commission office at (614) 728-9497 to confirm dates, times, and locations.

Updated 11/1/2011

BRIEFING
REVISION IN THE LOAN TERMS OF THE
COLUMBIANA COUNTY PORT AUTHORITY LOAN
November 1, 2011

Request

- Change in loan terms.

Benefits

- Creates estimated 15-20 jobs at the Total Waste Logistics landfill (Negley), 5 jobs at a new transload facility at Signal, and 5 railroad operations jobs.
- Supports ancillary jobs such as truck drivers to serve the transload facility.
- Facilitates approximately $15 million in private investments in Northeast Ohio.

Staff is requesting the Commission approve a revision in loan terms of the Columbiana County Port Authority's $2.1 million loan with the Commission for the rehabilitation of the former Youngstown and Southern line.

HISTORY OF ORDC INVOLVEMENT

The Ohio Rail Development Commission has been instrumental in the preservation of this rail line since the Commission helped the Columbiana County Port Authority purchase it. A summary of ORDC's assistance to the Youngstown and Southern Rail line includes:

- A grant in the amount of a $500,000 to assist the Columbiana County Port Authority with the original acquisition and rehabilitation of the line in 2000;
- The current loan for $2,098,046.63 million for rehabilitation;
- A grant in the amount of $75,000 for additional rehabilitation work;
- A grant for $45,000 to assist the Port Authority, the Ohio and Pennsylvania Railroad, and the community of Columbiana in replacing a culvert; and
- Over $2 million in grade crossing safety improvements along the line.

ORDC LOAN HISTORY

This is the sixth request of the Commission to modify loan terms since the initial approval in September, 2003. The original loan terms called for a loan of up to $2.1 million, with a maturity of six years, and 0% interest in the first two years, 1% in years 3 and 4, and 2.5% in years 5 and 6. The original loan also called for no payment of interest or principal in the first year. The previous modifications were:

1. Resolution 04-15, approved by the Commission on November 18, 2004, which delayed payments by three months. It was a "stop-gap" measure necessitated by the bankruptcy of the original operator, the Central Columbiana and Pennsylvania Railroad (CQPA).
2. Resolution 05-01, approved by the Commission in March 2005, which further delayed payments on the loan to March 1, 2006, to provide the new operator, the Ohio and Pennsylvania Railroad, a subsidiary of the Ohio Central Railroad System, the benefit of the terms that were presented to the original operator: one year of operation principal- and interest-free.

3. Resolution 06-01, approved by the Commission in January 2006, to further defer payments to allow the Ohio and Pennsylvania Railroad an opportunity to examine other funding options including the possibility of a Federal Railroad Administration RRIF loan. The Ohio Central Railroad subsequently decided to cease operations of the line and not assume the lease out of bankruptcy.
4. Resolution 07-02, approved by the Commission on January 11, 2007, to modify several provisions of the loan related to the expected purchase of the line by Eastern States Railroad (ESRR), a subsidiary of the primary shipper on the line, Total Waste Logistics (TWL), from the CCPA.
5. Resolution 09-25, approved by the Commission on November 19, 2009, to re-amortize the outstanding principal balance of the loan beginning January 1, 2010, and ending with a final payment on December 1, 2014, with an interest rate of 2.5% per year; and to allow accumulated late fees to be paid at the end of the amortization schedule unless the loan is fully repaid early and on-time.

ESRR purchased the CQPA's rights to the line from the bankruptcy court in a process completed in November 2006 and subcontracted the operations of the line to the Youngstown and Southeastern Railroad (YSRR). While details of the sale to ESRR and the assignment of the ORDC loan were being finalized following approval of Resolution 07-02, ESRR began making regular monthly payments on the loan. ORDC has not received any payments since March of 2010 and the sale of the line to ESRR and the assignment of the ORDC loan did not take place.

The current balance of the loan is $1,241,828.94. Due to financial and permitting issues, operations at the landfill facility and consequently along the rail line are minimal. In addition to the ORDC loan, the CCPA is the borrower on an outstanding loan from PNC Bank. CCPA has been paying the PNC Bank loan from its resources.

PROPOSED PURCHASE AND REDEVELOPMENT

TWL has negotiated a purchase of the landfill and rail line. The purchaser is a newly formed company whose principals have significant experience in railroad transloading, general contracting (including paving and asphalt manufacturing), utility contracting, and landfill operations. The company has financing in place and is committing to invest approximately $15 million in the following investments in Northeast Ohio (see attached map for reference):

- Constructing additional cells at the TWL landfill near Negley to enable a 26.5 million cubic yard expansion;
- Procure new or refurbished equipment to improve the operations at the TWL landfill;
- Develop a bulk transload facility at Signal;
- Upgrade track on the railroad.

With the development of these projects, the company expects to create Ohio jobs. This includes an estimated 15-20 jobs at the TWL landfill, approximately 5 jobs at the Signal transload facility, and approximately 5 people operating the railroad. In addition, the transload facility will support ancillary jobs such as truck drivers.

The company expects to secure the necessary permits from the Ohio EPA and close the purchase transaction by the end of December of 2011.

PROPOSED REVISED LOAN CONDITIONS

The Executive Director of the ORDC sent a commitment letter to the purchasing company on September 19, 2011, outlining the following conditions (subject to Commission approval):

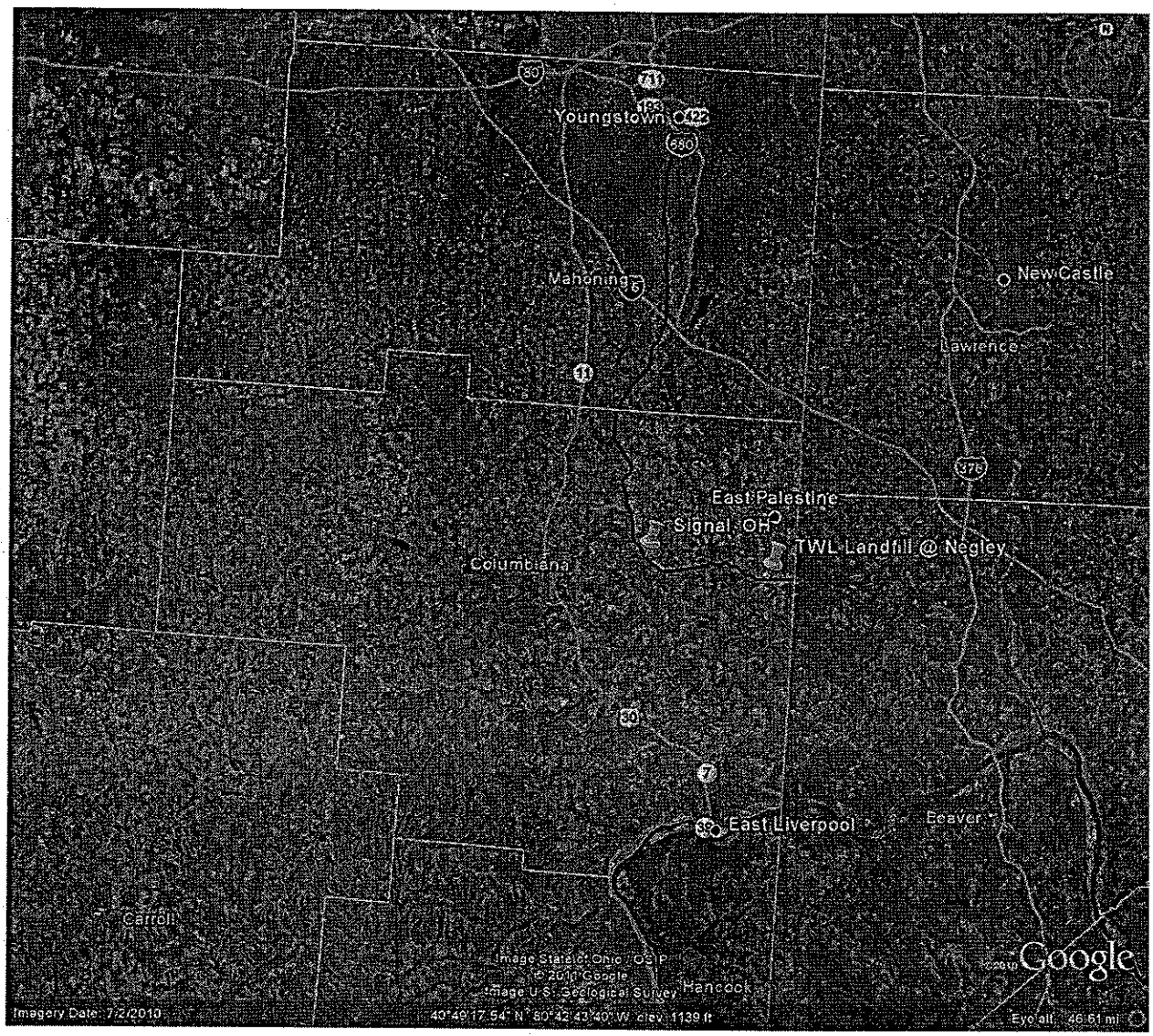
1. ORDC will assign the current loan to CCPA to the company and allow CCPA to transfer its ownership of the line to the company – ***or*** – the company may make a one-time lump sum payment of $1.0 million at the time of closing that ORDC will accept as payment in full.

If the company chooses to assume the loan:

2. ORDC will waive the outstanding late fees that the CCPA currently owes to ORDC ($1,068,492.46 due after November 1, 2011).
3. The purchaser will provide ORDC an initial payment of $250,000 at the time the company assumes ownership of the Y&S and the debt owed to ORDC by CCPA. The payment will reduce the principal owed to ORDC from $1,241,828 to $991,829.
4. The company will pay to ORDC and the CCPA $45 for every carload of traffic handled by the company's rail operator on the line until the full $991,829 in principal, plus interest accruing at 4% per year, is repaid.
5. In the event that the $45 per carload payment does not fully retire the principal and interest owed to ORDC by the end of the seventh year after the company assumes the ORDC loan, the company will have 120 days to repay in full the remaining debt, both principal and interest.
6. If the company does not complete the investment projects described above within eighteen months of assuming the ORDC loan, ORDC will require that the company begin repaying the ORDC loan with a normal monthly loan amortization schedule that is not tied to any per car payments.

The proposed arrangement will result in significant capital investment in not only the rail line, but also in two businesses in Columbiana County in eastern Ohio. The end result is expected to be the creation of 25-30 jobs and support for additional ancillary jobs. In addition, the proposal establishes a clear path for the resolution of the outstanding ORDC loan. Staff recommends that the Commission approve the terms proposed by the Executive Director and allow either the modification of the existing loan terms or the acceptance of a lump sum payment-in-full.

LOCATION MAP



RESOLUTION 11-10

RE: COLUMBIANA COUNTY PORT AUTHORITY YOUNGSTOWN & SOUTHERN RAIL LINE REHABILITATION LOAN REVISION (Amendment to Resolutions 03-18, 04-15, 05-01, 06-01, 07-02 and 09-25)

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO THE COLUMBIANA COUNTY PORT AUTHORITY UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration a modification of the provision of assistance under the Act to the Columbiana County Port Authority (the "Authority"); and

WHEREAS, the ORDC staff has submitted to this ORDC a modification to a prior request for assistance submitted by the Authority; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the modification to the proposed assistance will conform to the requirements of the Act and the terms of the modification to the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Authority, as set forth in the ORDC staff's submissions, is appropriate,

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the modification to the assistance proposed to be provided under the Act to assist the Authority with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed modification of assistance to the Authority, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Section 3. That the ORDC hereby amends Resolutions 03-18, 04-15, 05-01, 06-01, 07-02, and 09-25 as set forth in Exhibit A.

Moved By _____

Seconded By _____

Upon roll call, the vote resulted as follows:

James G. Bradley, Chairman	____	yes	_____	no	_____	absent	____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	_____	no	_____	absent	____	abstained	____ recused
Robert Greenlese	____	yes	_____	no	_____	absent	____	abstained	____ recused
Solomon Jackson	____	yes	_____	no	_____	absent	____	abstained	____ recused
Kevin Potter for Christiane Schmenk	____	yes	_____	no	_____	absent	____	abstained	____ recused
William Lozier	____	yes	_____	no	_____	absent	____	abstained	____ recused
Thomas McOwen	____	yes	_____	no	_____	absent	____	abstained	____ recused
Ronald C. Rasmus	____	yes	_____	no	_____	absent	____	abstained	____ recused
Larry Sowers	____	yes	_____	no	_____	absent	____	abstained	____ recused
Herk Wolfe	____	yes	_____	no	_____	absent	____	abstained	____ recused
Gregory Murphy for Jerry Wray	____	yes	_____	no	_____	absent	____	abstained	____ recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 11/10/11

CERTIFICATE

I, the undersigned Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 11/10/11
James G. Bradley, Chair Date

EXHIBIT A

The modifications to the Request for Assistance are as follows:

The Executive Director of the ORDC may accept either of the following options:

1. ORDC may accept a lump sum payment of $1.MM (One Million Dollars) at the time of the closing of the purchase of the Youngstown & Southern Rail Line as payment in full for the ORDC Loan; or

2. ORDC will assign its loan to the purchaser of the Youngstown & Southern Rail Line (the "Company") and allow the Authority to transfer its ownership of the rail line to the Company. If this option is executed:
    a. ORDC will waive the outstanding late fees that the Authority currently owes to ORDC;
    b. The Company will provide ORDC an initial payment of $250,000 at the time the Company assumes ownership of the rail line and the ORDC Loan. The payment will reduce the principal owed to ORDC from $1,241,828 to $991,829.
    c. The Company will pay to ORDC and the Authority $45 for every carload of traffic handled by the Company's rail operator on the line until the remaining $991,829 in principal, plus interest accruing at 4% per year, is repaid.
    d. In the event that the $45 per carload payment does not fully retire the principal and interest owed to ORDC by the end of the seventh year after the Company assumes the ORDC loan, the Company will have 120 days to repay in full the remaining debt, both principal and interest.
    e. If the Company does not complete the investment projects described in the November 10, 2011 ORDC Commission Meeting project briefing, which is attached hereto and incorporated as if fully rewritten herein, within eighteen months of assuming the ORDC loan, ORDC will require that the Company begin repaying the ORDC loan under a monthly loan amortization schedule that is not tied to any per car payments.

PROJECT BRIEFING:
CUOH NEILSTON LINE REHABILITATION/
E. COLUMBUS PANHANDLE MAINLINE CROSSOVER RELOCATION

October 31, 2011

Project Costs	
ORDC Grant	**$250,000**
CUOH Investment	**$250,000**

Project Benefits

Improves Safety on Neilston to Handle Haz-Mat
Helps Create 13 New Jobs at New Transload
Helps Retain 160 Jobs at New Shipper
Helps Bring over 500 New Carloads to Neilston
Improves CUOH Operations in East Columbus

Introduction: The Columbus & Ohio River Railroad (CUOH) requests $250,000 to cover the costs on a dollar for dollar matching basis of two related projects: 1) the rehabilitation of a 1.6 mile long portion of the Neilston Line; and 2) the relocation of a Panhandle mainline crossover (two turnouts with a connecting track) in east Columbus to facilitate better service to the Neilston line. The 1.6 mile portion of the Neilston line serves PSC Metals and will soon serve Yenkin-Majestic and a new haz-mat transloading operation that a Yenkin-Majestic affiliate is setting up. The mainline crossover to be relocated will allow CUOH crews to access the Neilston Line even when unit trains are parked on the double track Panhandle mainline waiting to be moved. Currently these parked trains sometimes block access to the Neilston. The overall project will include tie replacement, surfacing, turn-out replacements, turn-out rehabilitation, straight railing turnouts, crossing rebuilding, and related track work on the Neilston Line as well as the relocation of a Panhandle mainline crossover near the Neilston Line.

Background:

Recent History and Description of the Neilston Line: The Neilston Line consists of several lead tracks, branches, and spurs in east Columbus as well as part of the Panhandle mainline in east Columbus located between the point where the joint ORDC-CUOH ownership of the Columbus to Newark section of the Panhandle begins, and the Norfolk Southern mainline through downtown Columbus. The map included as Exhibit "A" shows the various components of the Neilston Line and other area rail lines.

CUOH purchased the Neilston Line from Conrail in 1996. Rail users on the various lead tracks and branches that comprise the Neilston include Henderson Material Handling, a major salt storage facility, Pepsi Cola, and PSC Metals. When CUOH took over service to these customers, they were generating about 50 carloads of freight a year. These customers now generate about 2,000 carloads annually. A Neilston Line branch formerly served a Yenkin-Majestic plant but part of the line to that plant was torn out years ago before CUOH acquired the Neilston. The project ORDC Staff is recommending for funding encompasses the main lead track of the Neilston Line, a small segment of the Neilston Branch to Yenkin-Majestic, and the relocation of a Panhandle mainline turnout which allows trains to switch back and forth between the two mainline Panhandle tracks in the Neilston area. The proposed ORDC project limits are highlighted on the Exhibit "A" map.

The only current customer on the portion of the Neilston Line within the ORDC project limits is PSC Metals, a scrap metal yard. In 1996, the scrap yard was not using rail at all. CUOH marketing and service built up rail traffic to current levels, i.e. over 500 carloads a year. PSC uses trucks to gather scrap but uses CUOH rail for most of its outbound transportation.

ODOD Logistics and Distribution Project for Yenkin-Majestic on a Neilston Branch: The Neilston Line lead track in question will have more usage next year. Yenkin-Majestic, through its subsidiary, the Wye Transportation Corporation, has obtained a $2 million grant from the Ohio Department of Development's (ODOD) "Logistics and Distribution Program": 1) to rehabilitate part of the CUOH lead track to the Yenkin-

Majestic plant; 2) to rebuild the portion of that track which was torn out; 3) to re-establish on site infrastructure for rail service to the Yenkin-Majestic plant; and 4) to establish a liquid haz-mat transloading center at the Yenkin-Majestic site. Total costs for this Wye Transportation initiative will be over $2.7 million and is scheduled to be completed next year. ORDC Staff worked with CUOH to encourage and help Yenkin-Majestic to apply for the Logistics and Distribution funding and ORDC supported the application in consultations with ODOD. (The Logistics and Distribution Program was a one time, stimulus program that no longer has funding.)

When the Wye/Yenkin-Majestic project is complete, it is expected to produce a total of about 500 to 600 carloads of new rail traffic to and from: 1) the Yenkin-Majestic plant; and 2) the new haz-mat transload. The Yenkin-Majestic traffic will also be haz-mat materials. The current proposed ORDC project compliments the ODOD Logistics and Distribution Yenkin-Majestic/Transload project by repairing the lead track to the Yenkin-Majestic branch and by improving the logistics of CUOH operations in the east Columbus area.

Current Service Logistics on Neilston Line and in East Columbus: The Neilston Line is served by a local Columbus area crew 5 times a week. That Columbus crew also serves a variety of other CUOH Columbus area rail users. CUOH interchange trains pick up the carloads that the local crews hostel and deliver full cars to Norfolk Southern and CSX in Columbus and empty cars to the CUOH classification yard in Newark. Service to PSC on the main Neilston lead track currently takes about two hours. Part of that time is spent waiting to get across an NS mainline track (i.e. an NS line that serves as the link between the NS Columbus to Bellevue mainline and its Columbus to Portsmouth mainline). It generally takes from 10 to 30 minutes to get clearance from NS to get across the NS main so CUOH crews generally wait from 20 minutes to an hour at the NS line to get back and forth to PSC. The local CUOH Columbus crew will have the same issue getting to and from Yenkin-Majestic.

CUOH crews sometime have problems getting access to the Neilston Line. The Panhandle Line is a double track main for a short distance in east Columbus running in an east-west direction. The northern track of this double main is the track that connects to the NS mainline that runs through downtown Columbus. CUOH handles unit trains of coal via a haulage agreement with NS. These unit coal trains are parked on this northernmost Panhandle mainline waiting for NS-CUOH interchange. This is the same mainline track that CUOH crews need to traverse to access the Neilston Line. When the unit trains are parked there, they block access to the Neilston Line preventing local CUOH crews from getting to and from the Neilston. This blockage sometimes wastes local crew times as they wait to get access, or prevents service on some days. The unit trains would not block access to the Neilston if they were parked on the south mainline. However the current positioning of the crossovers connecting the north and south mainlines precludes parking the entire unit train on the south track because there is not enough room between the existing crossover and the NS mainline to fit the entire train.

Neilston Line Economics: The current economics of serving the PSC portion of the Neilston Line are marginal for two reasons. First, the time it takes the local crew to get back and forth across NS, and the occasional delays from unit coal trains blocking access to the line, add significantly to the costs. Second, the revenues from the scrap business are limited. CUOH provided estimated profit-loss numbers for just the portion of the Neilston Line being considered for ORDC assistance. ORDC Staff concurs with the CUOH that the line in question is currently a marginal branchline in terms of economic viability. CUOH has been investing more in maintaining the track than its net profits from the operations.

Current Track Conditions: The track in the area of the proposed ORDC track rehabilitation project on the Neilston Line has a mish mash of heavy rail (130 lb., 131 lb., & 140 lb.) which is in reasonably good condition. The track geometry is generally good but there are several low spots that need to be addressed. Two crossings need to be rebuilt, one immediately, and one in the near future. The ballast condition is poor with a dearth of good stone. And in the areas where there is ballast, it is generally low quality. The turnouts along the line are worn out and need to be rebuilt or repaired. The tie condition is very poor; in many spots there are barely enough good ties to meet Federal Railroad Administration regulations for Class I, 10 MPH track. Without

significant investment in the track, especially for more ties, continued service to PSC for scrap cars would be problematic and moving haz-mat cars to Yenkin-Majestic would push the limits of safe operations.

There are no significant issues with the condition of the double track Panhandle mainline in the east Columbus area. The only issue is the current location of the mainline crossover, currently just west of where Joyce Avenue crosses over the line. It needs to be moved to the east of just east of where I – 670 crosses over the line so that unit trains of coal can fit on the south Panhandle mainline track and not block the north mainline track and access to the Neilston.

Project Description: A cost estimate for the needed work on the Neilston Line is included below:

Neilston Line/Crossover Relocation Track Rehabilitation Projects*

Work Description	Quantity	Unit Cost	Total Cost
Move Mainline Crossover	**1**	**Lump**	**$110,000 ***
Replace Turnouts	**2**	**$60,000**	**$120,000**
Install New Crossties	**1,560**	**$94.87**	**$148,000**
Switch Timbers	**100**	**$250**	**$25,000**
Straightrail Turnouts	**2**	**$5,000**	**$10,000**
Surface Track	**7,200 ft.**	**$1**	**$7,200**
Install Ballast	**800 tons**	**$28.50**	**$22,800**
Replace Gibbard Xing	**Lump**	**$57,000**	**$57,000**
Total			**$500,000**

***Crossover work on Panhandle Mainline; all other work on Neilston Line**

CUOH will bid out the project to qualified railroad contractors. CUOH will continue to own and maintain the Neilston tracks and continue its half ownership and maintenance of the Panhandle mainline crossover and tracks.

Why ORDC Funding is Needed: Due to the marginal economics of a portion of the Neilston line, ORDC funding is needed to ensure that the needed track work is done before the new haz-mat traffic comes on line.

Project Benefits: A listing of benefits is provided below:

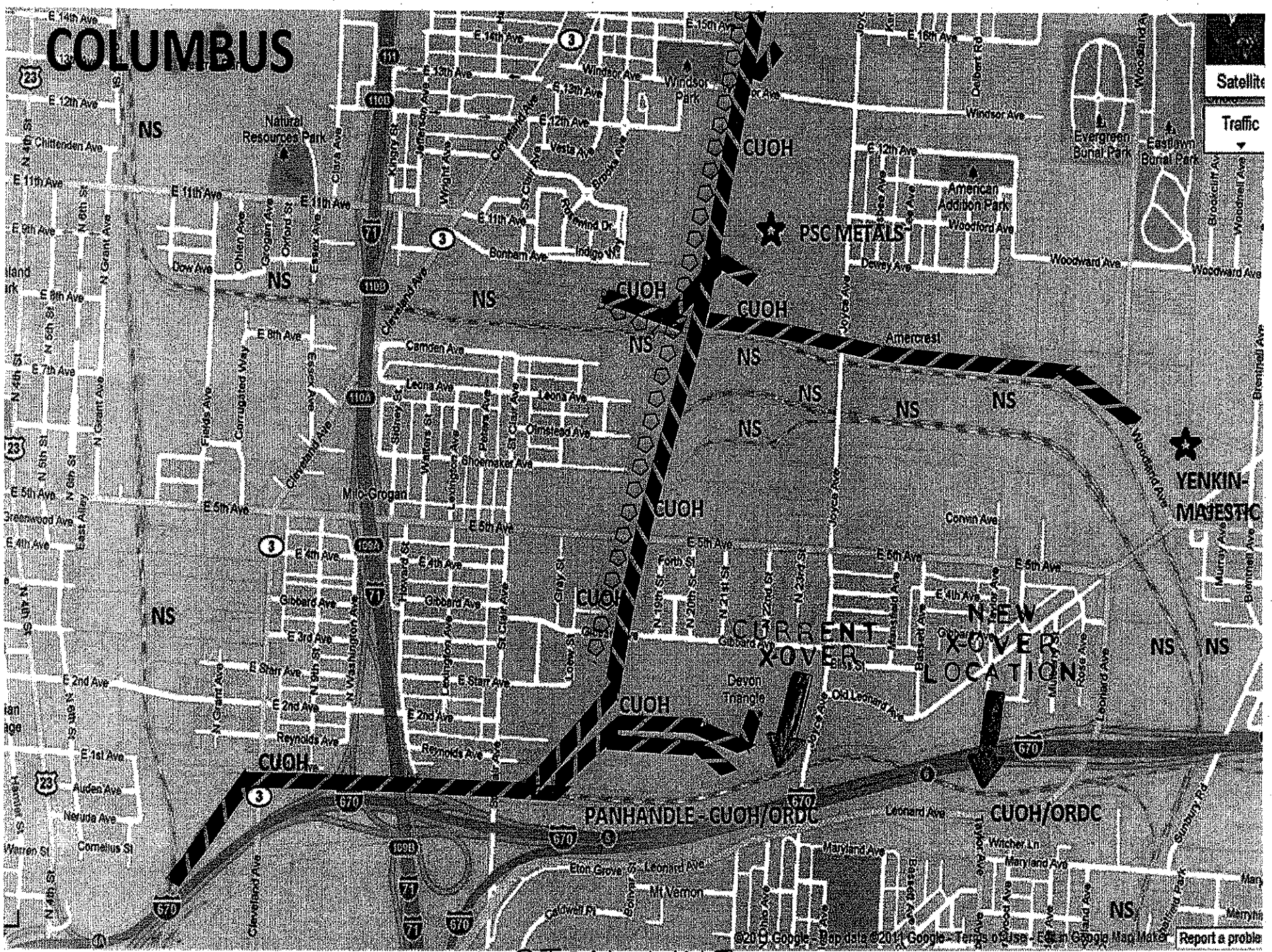
- Improves track safety for the handling of hazardous materials.
- Helps create 13 new jobs at the Wye Transportation's new hazardous materials transloading operations.
- Helps retain approximately 160 jobs at Yenkin-Majestic by helping to get rail to its plant and lower its transportation expenses.
- Helps bring over 500 carloads of high revenue haz-mat traffic to the line which will dramatically improve the economics of the Neilston Line.
- Improves CUOH operations in east Columbus by keeping unit coal trains from blocking access to the Neilston Line.

Included as Exhibit "B" is a listing of the benefits of the project using the ORDC's Benefits Calculator. The ORDC Staff used data collected from the shippers and CUOH to run the Calculator. Staff used educated guesses to fill in some of the required fields where precise information was not available.

Other Funding: CUOH will match ORDC's grant dollar for dollar.

Special Contingencies: The moving of the crossover from one location along the ORDC/CUOH jointly owned (50/50) Panhandle mainline to another on this same jointly owned segment shall be considered "normal maintenance" under Article 9 "Alterations and Improvements" of the ORDC – CUOH Panhandle operating agreement.

w:CUOHNeilstonLineRehabBriefing


COLUMBUS
CUOH
PSC METALS
YENKIN-MAJESTIC
CURRENT X-OVER LOCATION
NEW X-OVER
PANHANDLE-CUOH/ORDC
CUOH/ORDC
NS
Satellite
Traffic
NEILSTON LINE
ORDC PROJECT

"B"

Shortline/Branchline/Spur Benefits Summary

APPLICANT INFORMATION	
Applicant Name	Columbus & Ohio River Railroad Company
Application Date	5/26/2011

PROJECT INFORMATION	
Project Type	2. Rehabilitation Program
Project Specific Title (1 to 2 line description)	Neilston Secondary Rehab
Project Location: Address/Plant Site/Mileposts; City/Township/Rail Line	Columbus, Ohio
Transportation and extraordinary logistical or infrastructure issues. Explain any unusual issues, e.g. unusual logistics for shortline or connecting carrier operations)	None.

Total Project Funding Sources and Uses				
	Applicant Financing ($)	Private Financing	Public Assistance	Total
Land	$0	$0	$0	$0
Building	$0	$0	$0	$0
Machinery / Equipment	$0	$0	$0	$0
Non-Fixed Asset Costs	$0	$0	$0	$0
Non-Rail Infrastructure	$0	$0	$0	$0
Other	$0	$0	$0	$0
Rail Infrastructure	$250,000	$0	$250,000	$500,000
Total Cost	$250,000	$0	$250,000	$500,000

Infrastructure Data				
	Current # of Miles	Current % of Total Miles	Post-Project # of Miles	Post-Project % of Total Miles
1. Excepted / Total	0	0%	0	0%
2. Class 1 / Total	1.6	100%	1.6	100%
3. Class 2 / Total	0	0%	0	0%
4. Class 3+ / Total	0	0%	0	0%
5. Actual miles of 286K / Total	0	0%	0	0%

Economic Development Benefits (Based on new business only)

Employment data	New Direct Jobs	New Indirect Jobs	Total Job Impact	Total Wage Impact
1. Railroad Employment Gained (Person Years)	0	0	0	$0
2. Industry Employment Gained (Person Years)	53	37.1	90.1	$4,054,500
3. Project Construction Employment Person Years (As Provided)	0	0	0	$0

4. Project Construction Employment Person Years (Based on Project Cost)	1.6	1.12	2.72	$0

Shipper Transportation Cost Data	
1. Truck Costs	$2,088,634
2. Rail Costs	$709,730
3. Projected Shipper Transportation Cost Savings	$1,378,904

Funding Benefits

Rail Line Operational Impacts (Systemwide)		
	Current	Projected Post-Project
Average Annual Carloadings per mile (3 yr)	538	1125
Average Net Profit	$0	$0

Project Location - Specific Infrastructure Impacts (if applicable)		
	Current	Projected Post-Project
Average Annual Carloadings per mile (3 yr)	538	1125
Average Net Profit	$0	$0

Highway Cost Savings Data (OH)	
1. Highway Maintenance Costs Savings (OH)	$34,067
2. Highway Congestion Cost Savings (OH)	$16,680

Environmental Benefits

Environmental Emissions Data (OH)		
	Tons Reduced	Value
1. Carbon Monoxide Reduction	0.62	
2. Nitrogen Oxide Reduction	9.11	$36,421
3. Particulate Matter Reduction	0.08	$12,663
4. Carbon Dioxide Reduction	601.19	$19,839

Fuel Usage Data (OH)	
Fuel Savings (OH) (# Gallons)	54,083
Value of Fuel Savings	$204,921

Efficiency Benefits

Efficiency Factors	System Level		Project Level	
	Current	Post Project	Current	Post Project
Average System Speed (mph)	0	0	0	0

Annual Locomotive Fuel Costs (yr)	$0	$0	$0	$0
Other Annual Operating Costs (crew, derailment, etc.) (yr)	$0	$0	$0	$0
Average Annual Maintenance Costs ($/mi)	$0	$0	$0	$0
Average Net Profit per mile	$0	$0	$0	$0

Highway Safety Data (OH)	
1. Reduced # of Trucks	2,896
2. Reduced Fatalities (OH)	0.022520747
3. Value of Reduced Fatalities	$135,124
4. Reduced Injuries (OH)	0.57
5. Value of Reduced Injuries	$52,743

Existing Service Benefits

V - Shipper Transportation Cost Data	
	Existing Savings
1 - Truck Costs	$2,493,630
2 - Rail Costs	$847,350
3 - Projected Shipper Transportation Cost Savings	$1,646,280

VI - Fuel Usage Data (OH)	
	Existing Savings
Fuel Savings (OH) (# Gallons)	53,992
Value of Fuel Savings	$204,575

VII - Highway Cost Savings Data - Project Totals (OH)	
	Existing Savings
1 - Highway Maintenance Cost Savings (OH)	$32,538
2 - Highway Congestion Cost Savings (OH)	$16,502.91

VIII - Highway Safety Data (OH)	
	Existing Savings
1 - Reduced # of Trucks	2,865
2 - Reduced Fatalities (OH)	0.021510101
3 - Value of Reduced Fatalities	$129,061
4 - Reduced Injuries (OH)	0.54
5 - Value of Reduced Injuries	$50,376

IX - Environmental Emissions Data (OH)		
	Tons Reduced	Value
1 - Carbon Monoxide Reduction	0.63	
2 - Nitrogen Oxide Reduction	9.14	$36,549
3 - Particulate Matter	0.08	$13,096
4 - Carbon Dioxide	600.17	$19,806

RESOLUTION 11-13

RE: THE COLUMBUS & OHIO RIVER RAILROAD NEILSTON LINE REHABILITATION AND E. COLUMBUS PANHANDLE MAINLINE CROSSOVER RELOCATION PROJECT GRANT

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO THE COLUMBUS & OHIO RIVER RAILROAD UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the provision of assistance under the Act to The Columbus & Ohio River Railroad (the "Company"); and

WHEREAS, the ORDC staff has submitted to this ORDC a Request for Assistance submitted by the Company; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Company, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to assist the Company with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed assistance to the Company, the nature, amount and terms of which are summarized in Exhibit A attached hereto.

Moved By _____

Seconded By _____

Upon roll call, the vote resulted as follows:

James G. Bradley, Chairman	___	yes	___	no	___	absent	___	abstained	___ recused
Barbara Hammontree Bennett	___	yes	___	no	___	absent	___	abstained	___ recused
Robert Greenlese	___	yes	___	no	___	absent	___	abstained	___ recused
Solomon Jackson	___	yes	___	no	___	absent	___	abstained	___ recused
Kevin Potter for Christiane Schmenk	___	yes	___	no	___	absent	___	abstained	___ recused
William Lozier	___	yes	___	no	___	absent	___	abstained	___ recused
Thomas McOwen	___	yes	___	no	___	absent	___	abstained	___ recused
Ronald C. Rasmus	___	yes	___	no	___	absent	___	abstained	___ recused
Larry Sowers	___	yes	___	no	___	absent	___	abstained	___ recused
Herk Wolfe	___	yes	___	no	___	absent	___	abstained	___ recused
Gregory Murphy for Jerry Wray	___	yes	___	no	___	absent	___	abstained	___ recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 11/10/2011

CERTIFICATE

I, the undersigned Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 11/10/2011
James G. Bradley, Chair Date

EXHIBIT A

A grant to the Company pursuant to Section 4981.032 of the Ohio Revised Code in the amount up to Two Hundred Fifty Thousand Dollars ($250,000) (the "ORDC Grant") to undertake i) the rehabilitation of a 1.6 mile long portion of the Neilston Line that will include tie replacement, surfacing, turn-out replacements, turn-out rehabilitation, straight railing turnouts, crossing rebuilding, and related track work; and ii) the relocation of a Panhandle mainline crossover (two turnouts with a connecting track) in east Columbus to facilitate better service to the Neilston line ("Rail Service Project").

The ORDC Grant is subject to the following conditions:

i) The Company must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending the ORDC Grant.

ii) The moving of the crossover from one location along the ORDC/Company jointly owned Panhandle mainline to another on the same jointly owned segment shall be considered "normal maintenance" under Article 9 "Alterations and Improvements" of the ORDC – Company Panhandle Operating Agreement last dated May 17, 2007.

iii) The Company may bid out the Rail Service Project or undertake the work with its own forces at costs determined by a pre-audit conducted with ORDC and the Company which will be supported by documentation of material, equipment, and labor costs.

RESOLUTION 11-14

Re: Proclamation Honoring the Public Service of Herk Wolfe on the Ohio Rail Development Commission

November 10, 2011

Whereas, *at the age of 80 years, Harold "Herk" Wolfe is resigning his post as a Commissioner on the Ohio Rail Development Commission (ORDC); and*

Whereas, *Herk has continually provided ORDC distinguished service as an ORDC Commissioner since 2000; and*

Whereas, *Herk's service included providing invaluable counsel to ORDC Commissioners and Staff based upon the decades of railroad and business knowledge he acquired from owning and operating Wyandot Dolomite; and*

Whereas, *Herk's experience in buying and maintaining a rail line to preserve effective rail service to his aggregate quarry further enhanced his rail knowledge and effectiveness in dealing with ORDC business; and*

Whereas, *Herk continually helped ORDC Commissioners and Staff grasp the essence of the detailed issues at hand with colorful and cogent comments; and*

Whereas, *Herk also acquired a national reputation for his humorous and off beat style of providing valuable information and persuasive comments on critical rail issues; and*

Whereas, *Herk never requested a single penny of ORDC funds to reimburse him for the thousands of dollars he spent of his personal money on gas, food, lodging, and conference fees to attend ORDC meetings and to represent ORDC at various rail conferences throughout the United States; and*

Whereas, *Herk's warmth, respect, and good will toward his fellow Commissioners, ORDC Staff, and the railroads and companies doing business with ORDC have been as valuable as his wit and wisdom;*

Now, Therefore, it is hereby proclaimed that the Ohio Rail Development Commission will sorely miss the wisdom, friendship, and camaraderie of Herk Wolfe; and

That if the Ohio Rail Development Commission shall survive a thousand years, it will look back upon Herk Wolfe and say he was its most unique and beloved Commissioner.

Moved By _____

Seconded By _____

Upon roll call, the vote resulted as follows:

James G. Bradley, Chairman	___ yes	_____ no	____ absent	____ abstained	___ recused
Barbara Hammontree Bennett	___ yes	_____ no	____ absent	____ abstained	___ recused
Robert Greenlese	___ yes	_____ no	____ absent	____ abstained	___ recused
Solomon Jackson	___ yes	_____ no	____ absent	____ abstained	___ recused
Kevin Potter for Christiane Schmenk	___ yes	_____ no	____ absent	____ abstained	___ recused
William Lozier	___ yes	_____ no	____ absent	____ abstained	___ recused
Thomas McOwen	___ yes	_____ no	____ absent	____ abstained	___ recused
Ronald C. Rasmus	___ yes	_____ no	____ absent	____ abstained	___ recused
Larry Sowers	___ yes	_____ no	____ absent	____ abstained	___ recused
Herk Wolf	___ yes	_____ no	____ absent	____ abstained	___ recused
Gregory Murphy for Jerry Wray	___ yes	_____ no	____ absent	____ abstained	___ recused

ORDC ACTION:

Motion approved _____ Other action _____
Motion denied _____ Date 11/10/11

CERTIFICATE

I, the undersigned Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 11/10/11
James G. Bradley, Chair Date